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C O N F I D E N T I A L SECTION 01 OF 02 CANBERRA 000780

NOFORN  
SIPDIS

STATE FOR INR, PM, AND EAP

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TAGS: [AS](#) [PGOV](#) [PINR](#)

SUBJECT: NORTHERN TERRITORY INTERVENTION UNDER SCRUTINY

Classified By: POLCOUNS JAMES F. COLE: REASON 1.4 (b) and (d)

#### Summary

1. (U) The controversial Northern Territory Emergency Response Act, known as the "intervention", has been under increased fire in the past few weeks due to perceived mismanagement of its housing component. Aboriginal rights advocates have called the intervention a package of racist reforms that has disempowered indigenous communities while supporters claim the government needs to implement these long-term measures to create viable lifestyle options so Aboriginal communities can maintain traditions but engage in a 21st century economy. Aboriginal politician and former Northern Territory (NT) Minister for Indigenous Affairs Alison Anderson has spent the past few weeks holding the government ransom over its handling of the \$672 million (US \$562.5) indigenous housing and infrastructure program claiming the NT labor party has mismanaged funds. The government held a one seat majority, and was plunged into crisis after Anderson resigned. The heated debate on the intervention and its implementation in the NT has drawn national attention.

#### Poor Intervention Handling Plays Out in NT Politics

2. (U) The crisis began several weeks ago when Anderson criticized the NT government's handling of a \$672 million (US \$562.5) indigenous housing and infrastructure program, part of a 2007 Howard government package of changes to welfare, law enforcement, land tenure and other measures to address claims of rampant child sexual abuse and neglect in Aboriginal communities. Two years into the program, not one house has been built. The delay has caused anxiety and misinformation about how the money is being spent, putting both the federal and NT governments under fire. While the response has been criticized, particularly for suspending the Racial Discrimination Act (RDA), it received bipartisan parliamentary support in 2007, and Prime Minister Kevin Rudd has continued to support the response, though he did make some adjustments to its implementation.

#### Paradigm Shift or Land Grab

3. (C/NF) The government has continued to promote the intervention as a comprehensive program involving housing, employment and business components that is designed to promote lifestyle changes while maintaining traditions but creating conditions for Aboriginal communities to engage in a 21st century economy, according to Leon Morris, Acting Executive Director, Office of Indigenous Policy, Department of the Chief Minister. However, opponents, such as prominent activist Galarrwuy Yunupingu, publicly labeled it as a form

of apartheid that has punished Aboriginal people while failing to provide services, such as housing. Two of the most controversial aspects of the intervention are the compulsory acquisition of townships through 5 year leases and restrictions on welfare benefits. Under the intervention, the government holds 5 year leases on all Aboriginal owned land, including control over infrastructure and buildings. Since the government is investing in housing, it wants to clarify who is responsible for housing maintenance, according to Bernie Yates, Deputy Secretary for Federal Indigenous Affairs Minister Jenny Macklin. As part of the housing program, the government is also trying to obtain 40 year leases on townships. John Ramsay, Government Business Manager, NT Emergency Response said that it will take much longer than 5 years to break through 30 years of welfare dependency and build capacity, and the long-term leases will encourage much-needed private sector investment. For Aboriginal communities, land is the heart of their culture and getting it back is a key issue, according to Kim Hill, Northern Land Council CEO and Bernard Valadian, General Manager, Aboriginal Development Association Foundation. Communities have fought hard to reclaim land and see the government intervention as a land grab. (Nearly 50% of the land and 80% of the coast in the NT is aboriginal owned). Some fear that after 40 years, there will be no leadership continuity in Aboriginal communities and new leaders will continue to lease the land. Communities are also concerned they will lose control over who can access their land, turning their communities into another city suburb.

#### Income Management Sparks Controversy

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¶4. (C/NF) Income management is one of the most controversial aspects of the program. It includes restrictions on welfare payments whereby recipients receive half of their payments on a 'basics' card', which can only be used on essential goods and services in approved shops. Christine King, Relationship Manager, Reconciliation Australia and Lisa Coffey, Acting Commissioner, NT Anti-Discrimination Commission said it has elevated race issues. The measure does not examine individual behavior and familial needs, assumes all families abuse children and drink excessively, and does not take remote areas or elders without children into account. In remote areas, some people spend half of the money on their card on transportation to get to the nearest shop and pay higher prices for goods in those locations, according to King. King and Morris stressed that the program should involve counseling and engagement before imposing restrictions, and restrictions should be based on behavior. Yet supporters, such as Minister Macklin, insist it works, "The evidence shows that income management has been very positive for women and children in particular."

#### One Size Does Not Fit All

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¶5. (C/NF) The Rudd government has said it will propose legislation in October to reinstate the RDA; however, to do so, the government will need to modify the intervention or suspend some aspects of the RDA if it wants to continue its implementation. According to Indigenous Affairs Minister Macklin, "My personal view is that compulsory income management can be seen as a special measure under the Racial Discrimination Act." She also said this is a long-term initiative, and the government had made it clear that indigenous engagement was the key to long-term effectiveness of intervention. According to Darwin Lord Mayor Graeme Sawyer and Michael O'Donnell, the legal consultant to the intervention board, the intervention was a great idea, but poorly implemented. A common criticism is that it has been top down, not participatory, uses a 'one size fits all' model and will fail unless a community development approach is built into the program. While violence in communities is down and Ramsay said that children's health has improved in the

township where he works, others claim the government is still throwing money at issues rather than addressing root problems.

Comment

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¶6. (C/NF) While officials told us the federal and NT governments are committed to improving the livelihoods of Aboriginal communities, Ramsay said that restrictions must be implemented to change behavior; after behavior changes are made, restrictions can be reduced. Others contend that government welfare programs have created two generations of disempowered people who have become welfare dependent and lack the capacity to productively engage in the workforce. Many officials administering programs lamented that they lack human and financial resources to meet the growing needs, and that even the \$672 million housing program will not solve the overcrowding problem. Several are concerned as in some areas of the NT, over 50% of the Aboriginal population is under 15 years, and programming is not adequate to address their needs. Due to a long history, there is a lack of trust for government that has been exacerbated by the intervention, Qgovernment that has been exacerbated by the intervention, according to several officials, and despite good intentions, the government has the unenviable task of rebuilding trust and relationships and must use a consultative approach to achieve the transformation it envisions.